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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

CD NO.

COUNTRY Austria/USSR

DATE DISTR. 25 January 1949

SUBJECT Treaty Preparations by USIA Construction
and Building Materials Administration

NO. OF PAGES 2

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SUPPLEMENT TO
REPORT HQ

1. The firms which are controlled by the USIA Construction and Building Materials Administration are divided into the following two groups. The firms which are to remain under Soviet control and those which are to be sold to the Austrians for dollars.

2. The assessed value of the latter firms is based on the original estimates which were prepared by the Soviet Commission in 1945. The assessment was made in Reichsmark, and the figures were necessarily arbitrary, because of the loss of documents, the difficulty of estimating damage suffered during the war, and the continual removal of booty material. When the schilling was reestablished as legal currency, the Reichsmark values were converted on paper to schillings at 1 to 1. Masil of the USIA Central Commercial Bureau and Kutikov and Kuvchinski of the Construction and Building Materials Administration of USIA have allegedly stated that the Soviets plan to sell the firms listed in paragraph 3 below to Austria at the rate of one dollar to one schilling. 25X1A6

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25X1A6 that the Soviets have not changed their 1945 estimates of German-owned property, except in cases where they have increased the amount of the assessment because of improvements made by themselves. According to the calculations of US authorities in Austria, the pre-1945 buying power of one Reichsmark was roughly equal to one dollar. By equating the buying power of dollar and Reichsmark, and by having converted Reichsmark assessments to schillings at 1 to 1, the Soviets might have a talking point in demanding a 1 to 1 payment in dollars for the assessed value of the firms set down in schillings (machinery, and other improvements installed by the Soviets, will be rented or sold to the Austrians separately from the enterprises themselves.)

3. The following is a partial list of firms which are controlled by the Construction and Building Materials Administration of USIA, and which the Soviets plan to sell to Austria for dollars with the assessment figures rounded to the closest 10,000 schillings:

Porr A.G.	\$ 4,000,000
A.G. Hoch-und Ingenieurbau	800,000
Allgemeine Strassenbau A.G.	800,000
Asbest Schürfbau, Schlaining (Burgenland)	400,000
Beckmann & Lechner Sägewerke	250,000
Heinrich Bertrams, Röhrenfabrik, Vienna	1,470,000

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Deutsche Bau A.G., Urfahr	\$ 600,000
Gesamtkraftwerke	20,000,000
Gertsch & Co.	1,100,000
 [REDACTED] Comment: Probably	
Gertsch & Co., Maschinen-und	
Baubeschlagindustrie, GmbH, Vienna X)	
Grünzweig & Hartmann, GmbH, Wärme-und	380,000
Kälteschutzmasse, Vienna X	

The following is a partial list of firms which are scheduled to remain in Soviet hands:

A.G. für Gross-und Feinkeramik, St. Pöchlarn
 Brunner Glasfabrik
 Granitwerke Gusen
 Guthan Gross-Glashandel, Vienna
 Richard Klinger, Gumpoldskirchen
 Klosterneuburger Holzindustrie
 Moosbrunner Glasfabrik
 Oesterreichische Talkumindustrie
 Sägewerk, Weissenbach
 Schilfrohrverwertung, Neusiedl
 Stefansdach (sic) at St. Aegy
 Glasspinnerei Stockerau
 Vergasungsindustrie
 Wagner I.C.K.G. Metall-und Schweisswerk (sic)
 Wiener Glashüttenwerke
 A.G. für Gross-und Feinkeramik, Leopoldsdorf

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[REDACTED] Comment: Although it is not believed certain that the Soviets will attempt to retain all the firms specified above, the report is further confirmation of the Soviets' desire and plan to retain control of certain strategic enterprises even in the event of an Austrian peace treaty.)